

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Henschel Inc

Massachusetts Manufacturing Extension Partnership

An Old Business Areas Gets New Life at Henschel

Client Profile:

Henschel, Inc. is an 86 year-old supplier of electrical machinery, equipment, instrumentation, and supplies for marine applications worldwide. The company played a major role in the supply of Naval equipment during World War II. Located in Newburyport, Massachusetts, Henschel has 100 employees.

Situation:

Henschel's Return Material Authorization (RMA) business area fell into disarray long ago. Regarded as a necessary evil, RMA received only part-time attention and temporary storage locations, and materials received for warranty or repair were only addressed based on customer requests and demands. When Henschel realized that some RMA items had been in storage awaiting attention for years, it decided to reprioritize the RMA business unit. The company contacted the Massachusetts Manufacturing Extension Partnership (MassMEP), a NIST MEP network affiliate, for assistance.

Solution:

MassMEP began by teaching Henschel employees basic lean concepts through its Lean 101 Time Wise workshop. Next, MassMEP led Henschel through a value stream mapping exercise. A team of Henschel employees documented every step of the business process, identified problems, targeted areas of opportunity for improvement, and developed an action plan to address each area.

Henschel's map revealed hundreds of feet of non-value-added travel for each and every RMA as it shuttled back and forth between storage and the Test Area. At MassMEP's urging, Henschel took a new look at the facility layout and decided to move RMA storage to the space directly adjacent to the Test Area. The move reduced non-value-added travel by 70 percent.

Next, MassMEP worked with Henschel to reorganize the space to maximize efficiency and productivity. The team laid out work benches to maximize flow and outfitted each station with a standard tool set. Shadow boards for the tools are being fabricated and installed. All RMA material is now stored in color coded plastic totes with visual identification in and on the front pocket. All storage shelves are labeled with large signs for easy identification and are aligned to follow natural production flow. New RMA material, incoming parts, and material to be destroyed have highly visible locations with appropriate labels for easy identification. MassMEP also recommended installing two large magnetic schedule/status boards. Every RMA is given a business card-size magnetic-backed schedule card, which is placed on the magnet schedule/status board exactly where it resides in the system. The magnet boards are an exact replica of the shelves where the RMA material resides. All material is numerically aligned so a lengthy search for any and all items is unnecessary.

After cleaning and reorganizing the RMA business area, Henschel saw the potential to turn the RMA business into its own revenue unit. The company assigned a Value Stream Manager and an RMA Lead to the business area and is already making plans to expand.

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Results:

- * Reduced non-value-added travel for RMA Material by 70 percent.
- * Reduced plant space devoted to RMA by 75 percent.
- * Created 4 to 6 new jobs to work in this business area.

Testimonial:

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